

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2503 – SB 2599

April 7, 2014

SUMMARY OF ORIGINAL BILL: Subjects the costs of the property tax relief program for low income elderly and disabled persons and disabled veterans to annual appropriations and specifies that the State Board of Equalization's responsibilities will include the allocation of appropriations specifically appropriated for the implementation of this program. Requires the Comptroller of the Treasury to determine the method of implementation and allocation.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (015759): Deletes all language after the enacting clause. Requires the Comptroller of the Treasury to uniformly adjust individual payments by a factor that will permit all timely claims, for the 2015 tax year and thereafter, to be paid within the limits of the appropriation, if the Comptroller determines that annual appropriations are insufficient to permit full payments of claims reflecting the income and value standards established in this part or in the annual appropriations act. Requires the Comptroller to, upon making this determination and calculating the appropriate factor, promptly notify local collecting officials and the Commissioner of Finance and Administration.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease State Expenditures – Exceeds \$100,000/FY15-16 and Subsequent Years

Assumptions for the bill as amended:

- The bill as amended would require the Comptroller to apply a prorated factor to all property tax relief claims, for the 2015 tax year and thereafter, if the Comptroller determines that paying all claims in full would exceed the appropriations for a given year.
- According to the Comptroller, adjusting individual tax relief payments to better match actual appropriations would avoid the need to use reversion funds to cover a shortfall when claims exceed appropriated amounts.

HB 2503 – SB 2599

- Based on recent fund transfers to accommodate unforeseen growth in claims, the Comptroller estimates the bill as amended will result in a recurring decrease in state expenditures between \$100,000 and \$500,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/bos